Pet 14 LIBYA (E)
Pet 6 LIBYA

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Department of State

342

TELEGRAM

EXCISE

CONFIDENTIAL 393

DEPARTMENT OF STATE A/CDC MR
REVIEWED BY J DATE 8/7/81
PORTIONS DENIED AS INDICATED

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18 12
ACTION AF-05

INFO OCT-01 SS-20 OEP-01 E-04 NSC-10 NSCE-00 INR-07 CIAE-00
NSAE-00 L-02 PRS-01 RSC-01 RSR-01 /053 W
036740

P R 040738Z SEP 70
FM AMEMBASSY TRIPOLI
TO SECSTATE WASHDC PRIORITY 6834
INFO AMEMBASSY BENGHAZI

C O N F I D E N T I A L TRIPOLI 2117

LIMDIS

SUBJ: PRICE NEGOTIATIONS AND OCCIDENTAL

REF: STATE 144015

1. [redacted] OXY POSTED B4
PRICE NEGOTIATING TEAM LED BY CHAIRMAN HAMMER HAD THREE SESSIONS WITH LARG NEGOTIATORS BETWEEN HAMMER'S ARRIVAL AUG 30 AND DEPARTURE SEPT 2. [redacted] LARG SIDE LED BY DEPPRIMIN JALLUD AND INCLUDED MAGHRABI, MINPET MABRUK AND PET U/S QIBLAWI.

2. [redacted] B4
OXY HAD SIGNIFICANTLY IMPROVED ITS LAST PRICE INCREASE PROPOSAL (BELIEVED BY EMBASSY TO HAVE BEEN ABOUT 18 CENTS), AND THAT LARG NOW ASKING FOR INCREASE "SOMEWHAT BELOW" MAGHRABI'S LAST FORMAL DEMAND OF 37 CENTS. [redacted] OXY BELIEVES IT NOW KNOWS WHAT LARG'S MINIMUM OBJECTIVES ARE AND IS TRYING TO MEET THEM XNT B4
THAT NEGOTIATIONS ARE "EXTREMELY DIFFICULT," WITH LARG REFUSING TO AGREE TO OXY'S EBQUIDS AND INSISTING UPON SOME RETROACTIVITY. EMBASSY RECEIVED NO RPT NO INDICATION OF ANY DISCUSSION OF PARTICIPATION.

(2)

3. OXY ANTICIPATES FURTHER MEETINGS WITH LARG AND IS UNDER HEAVY PRESSURE TO COME TO TERMS. THREATS HAVE RANGED FROM HEAVIER PRODUCTION CUT-BACKS, TO NATIONALIZATION, TO REVOCATION OF CONCESSION DEEDS. [redacted] CHAIRMAN HAMMER AND OXY LIBYA PRESIDENT WILLIAM- B4

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SON ARE ONLY ONES WHO KNOW HOW FAR OXY IS PREPARED TO GO -- BUT [redacted] IMPRESSION THAT WILLIAMSON HAS AUTHORITY TO MEET WHAT B4

OXY BELIEVES TO BE MINIMUM LARG LIKELY TO ACCEPT.

4. [redacted] B4 B6

PALMER

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